रजिस्ट्री सं० डी० 221 REGISTERED No. D 221

भारत का राजपत्र
The Gazette of India

असाधारण
EXTRAORDINARY
भाग II—खण्ड 1
PART II—Section
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं० 85] नई दिल्ली, सोमवार, दिसम्बर 30, 1968/पौष 9, 1890
No. 85] NEW DELHI, MONDAY, DECEMBER 30, 1968/PAUSA 9, 1890

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW
(Legislative Department)

New Delhi, the 30th December, 1968/Pausa 9, 1890 (Saka)

The following Acts of Parliament received the assent of the President on the 29th December, 1968, and is hereby published for general information:—

THE STATE AGRICULTURAL CREDIT CORPORATIONS ACT, 1968

No. 60 OF 1968

[*29th December*, 1968]

An Act to provide for the establishment in the States and Union territories of Agricultural Cerdit Corporations and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Nineteenth Year of the Republic of India as follows:—

CHAPTER I
PRELIMINARY

1. (*1*) This Act may be called the State Agricultural Credit Corporations Act, 1968. Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different States or for different Union territories.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "agricultural marketing society" means a co-operative society the objects of which include the marketing of agricultural produce;

(*b*) "agricultural operation" includes animal husbandry, dairy farming, pisciculture and poultry farming;

Explanation.—The expression "pisciculture" includes the development of fisheries, both inland and marine, catching of fish and all activities connected therewith or incidental thereto;

(c) "agricultural processing society" means a co-operative society the objects of which include the processing of agricultural produce;

(*d*) "agricultural produce" includes the produce of an agricultural operation;

(*e*) "appropriate Government" means,—

(*i*) in relation to any Corporation established in a Union territory, the Central Government, and

(*ii*) in relation to any Corporation established at any other place, the State Government;

(*f*) "banking company" has the meaning assigned to it in clause (*c*) of section 5 of the Banking Regulation Act, 1949; 10 of 1949.

(*g*) "Board" means the Board of directors of the Corporation;

(*h*) "co-operative farming society" means a co-operative society the objects of which include the cultivation of land on a co-operative basis;

(*i*) "Corporation", in relation to a State or Union territory, means the Agricultural Credit Corporation established under section 3 in that State or Union territory, as the case may be;

(*j*) "director" means a member of the Board;

(*k*) "Food Corporation" means the Food Corporation of India established under the Food Corporations Act, 1964; 37 of 1964.

(*l*) "prescribed" means prescribed by rules made under this Act;

(*m*) "Reserve Bank" means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934; 2 of 1934.

(*n*) "subsidiary bank" has the meaning assigned to it in the State Bank of India (Subsidiary Banks) Act, 1959; 38 of 1959.

(*o*) "Central Co-operative Bank", "Co-operative Bank", "Co-operative Society", "Primary Agricultural Credit Society", 'Scheduled Bank", "State Bank" and "State Co-operative Bank", have the meanings respectively assigned to them in section 2 of the Reserve Bank of India Act, 1934. 2 of 1934.

CHAPTER II

INCORPORATION OF STATE AGRICULTURAL CREDIT CORPORATIONS AND THEIR CAPITAL

Establishment of State Agricultural Credit Corporations.

3. (*1*) The appropriate Government may, by notification in the Official Gazette, establish in any State or Union territory an Agricultural Credit Corporation under such name as may be specified in the notification:

Provided that no such Corporation shall be established in any State or Union territory other than the States of Assam, Bihar, Orissa, Rajasthan and West Bengal and the Union territories of Manipur and Tripura, except with the previous approval of the Central Government, and no such approval shall be given by the Central Government except after consultation with the Reserve Bank.

(*2*) The Corporation established under this Act shall be a body corporate by the name specified in the notification referred to in sub-section (*1*), having perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and to contract, and may by that name sue or be sued.

Head Office and other offices.

4. (*1*) The Corporation shall establish its head office at such place in the State or Union territory as the appropriate Government may, after consultation with the Reserve Bank, specify.

(*2*) The Corporation may, after consultation with the appropriate Government, establish offices or agencies at other places in the State or Union territory, as the case may be.

Share capital and shareholders.

5. (*1*) The authorised capital of each Corporation shall be such sum as the appropriate Government may initially fix but it shall, in no case, be less than one crore of rupees or more than five crores of rupees:

Provided that where the authorised capital initially fixed is less than five crores of rupees, the appropriate Government may, from time to time, increase the authorised capital to such sum not exceeding five crores of rupees:

Provided further that where the appropriate Government is not the Central Government, the initial fixation of the authorised capital and any subsequent increase or reduction thereof, shall be made with the prior approval of the Central Government.

(2) The authorised capital of each Corporation shall be divided into such number of shares as the appropriate Government may determine and shall be issued as fully paid-up shares to the parties mentioned in sub-section (3) at such times and in such manner and to such extent as the appropriate Government may determine and each of such shares shall have the same face value.

(3) Out of the capital issued under sub-section (2),—

(a) in the case of a Corporation established in a State, the Central Government shall subscribe for thirty per cent. of the share capital, and in the case of a Corporation established in a Union territory, the Central Government shall subscribe for fifty per cent. of the share capital;

(b) the Reserve Bank shall subscribe for twenty per cent. of the share capital;

(c) in the case of a Corporation established in a State, the State Government shall subscribe for twenty per cent. of the share capital;

(d) the Food Corporation, State Bank, subsidiary banks and banking companies may subscribe for, in the aggregate, thirty per cent. of the share capital:

Provided that none of the said parties shall subscribe for more than fifteen per cent. of the share capital.

(4) The parties referred to in sub-section (3) shall subscribe for the shares before such date as may be specified in this behalf by the Central Government by notification in the Official Gazette.

(5) Subject to the provisions of sub-section (3), the Central Government shall determine the number of shares which are to be allotted to the parties referred to in clause (d) of that sub-section:

Provided that if any of the parties referred to in clause (d) of sub-section (3) fails to subscribe, by the date specified by the Central Government under sub-section (4), for any share allotted to it, such

share shall be subscribed for by the Central Government, the Reserve Bank and the appropriate Government in such proportions as may be determined by the Central Government:

Provided further that the shares subscribed for by the Central Government, the Reserve Bank and the appropriate Government, in pursuance of the provisions of the foregoing proviso, may be transferred to any party who is eligible under clause (*d*) of sub-section (*3*) to subscribe for such shares in the first instance, so, however, that the total number of shares held by any of the parties referred to in that clause does not exceed fifteen per cent. of the share capital of the Corporation.

Restrictions on transfer of shares.

6. Save as otherwise provided in the second proviso to sub-section (5) of section 5, the shares of the Corporation shall not be transferable.

CHAPTER III

MANAGEMENT OF THE CORPORATION

Management.

7. (*1*) The general superintendence, direction and management of the affairs and business of the Corporation shall vest in a Board of directors who may exercise all the powers and discharge all the functions which may be exercised or discharged by the Corporation other than those which are expressly directed or required by this Act to be done by the Corporation in general meeting.

(2) The Board in discharging its functions shall act on business principles, regard being had to public interest.

Corporation to be guided by directions of Central Government.

8. In the discharge of its functions, the Corporation shall be guided by such directions in matters of policy involving public interest as the Central Government may, in consultation with the Reserve Bank, give to it in writing and, if any question arises whether a direction relates to a matter of policy involving public interest, the decision of the Central Government thereon shall be final.

Constitution of Board.

9. The Board of directors of the Corporation shall consist of the following, namely:—

(*a*) one director to be nominated by the Central Government who shall be the Chairman of the Board;

(*b*) two directors nominated by the appropriate Government, one of whom shall be a person who has special knowledge of co-operation and who is not an employee of the Central or State Government or of the Reserve Bank, State Bank, subsidiary bank, banking company, or Food Corporation;

(*c*) one director to be nominated by the Reserve Bank;

(*d*) two directors to be elected in such manner as may be prescribed by the parties subscribing for shares in pursuance of the provisions of clause (*d*) of sub-section (*3*), and sub-section (*5*) of section 5;

(*e*) a managing director, to be appointed by the Central Government and, except in the case of first appointment, after consultation with the Board:

Provided that, in appointing a managing director of a Corporation established in a State, the Central Government may also consult the Government of that State.

Managing director.

10. (*1*) The managing director shall—

(*a*) be a whole-time officer of the Corporation;

(*b*) perform such duties as the Board may, by regulations or otherwise, assign to him;

(*c*) hold office for such term, not exceeding three years, as the Central Government may specify at the time of the appointment and be eligible for re-appointment;

(*d*) receive such salary and allowances and be governed by such terms and conditions of service as the Central Government may—

(*i*) in the case of first appointment determine, or

(*ii*) in the case of any subsequent appointment, determine after consultation with the Board.

(*2*) The Central Government may, after consultation with the Board and for sufficient cause, remove the managing director from office:

Provided that no managing director shall be so removed unless he has been given an opportunity of showing cause against his removal.

(*3*) If the managing director is by infirmity or otherwise rendered incapable of carrying out his duties or is absent on leave or otherwise in circumstances not involving the vacation of his appointment, the Central Government may, after consultation with the Board, appoint another person to act in his place during his absence.

Term of office of directors other than managing director.

11. (*1*) A nominated director, other than the managing director, shall hold office during the pleasure of the authority nominating him and the period of such office, unless terminated earlier, shall be two years:

Provided that a nominated director shall be eligible for renomination.

(*2*) An elected director shall hold office for a period of two years from the date of his election:

Provided that an elected director shall continue in office until the election of his successor.

Disqualifications.

12. No person shall be a director, who,—

(*a*) except in the case of the managing director, is a salaried official of the Corporation, or

(*b*) is, or at any time has been, adjudged insolvent or has suspended payment of his debts or has compounded with his creditors, or

(*c*) is of unsound mind and stands so declared by a competent court, or

(*d*) is or has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude.

Vacation of seats of directors.

13. (*1*) If a director,—

(*a*) becomes subject to any disqualification specified in section 12, or

(*b*) is absent without leave of the Board for more than three consecutive meetings thereof,

his seat shall thereupon become vacant.

(*2*) The managing director or any other director may resign his office by giving notice thereof in writing to the authority by which he was appointed or nominated, or if he is a director elected under clause (*d*) of section 9, to the Board, and on such resignation being accepted, shall be deemed to have vacated his office.

Executive Committee and other committees of the Corporation.

14. (*1*) The Board may constitute an Executive Committee consisting of the Chairman of the Board, who shall be the Chairman thereof, the managing director and two other directors, one of whom shall be a person nominated by the appropriate Government under clause (*b*) of section 9.

(*2*) The Executive Committee shall discharge such functions as may be prescribed, or may be delegated to it, by the Board.

(*3*) The Board may constitute such other committees, whether consisting wholly of directors or wholly of other persons or partly

of directors and partly of other persons, as it may think fit for such purposes as it may decide.

Meetings of Board and committees.

15. (1) The Board or the Executive Committee or any other committee shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) Three directors personally present at any meeting of the Board and two members personally present at a meeting of a committee shall be the quorum for such meeting.

(3) If, for any reason, the Chairman of the Board or of any committee is unable to attend any meeting of the Board or the Committee, as the case may be, the members present at the meeting shall elect one of them to preside at the meeting.

(4) If for any reason a director nominated under clause (*a*), clause (*b*) or clause (*c*) of section 9 is unable to attend any meeting of the Board or of any committee if he is a member thereof, the Government or the Reserve Bank by which such director was nominated may depute any other person to attend such meeting and the person so deputed shall, for the purposes of the said meeting, be deemed to be a director nominated under clause (*a*), clause (*b*) or clause (*c*), as the case may be, of the said section 9 or a member of the committee concerned.

(5) All questions which may come up before any meeting of the Board or a committee shall be decided by a majority of votes of the members present, and in the event of an equality of votes, the Chairman of the Board or of the Committee, as the case may be, or in his absence the person presiding, shall have a second or casting vote.

Directors of Board or members of a committee not to vote in certain cases.

16. Every director or member of a committee who has any direct or indirect pecuniary or other interest in any matter coming up for consideration at a meeting of the Board or a committee shall, as soon as possible, after the relevant facts or circumstances have come to his knowledge, disclose the nature of his interest at such meeting and the disclosure so made shall be recorded in the minutes of the meeting of the Board or of the Committee, as the case may be, and no such director or member shall thereafter take any part in any deliberation or decision of the Board or committee with respect to that matter nor shall his presence at such meeting be taken into account for the purpose of determining the quorum

for the meeting at the time of such deliberation or voting, and if he does vote, his vote shall be void:

Provided that nothing contained in this section shall apply to such director or member of a committee by reason only of his being a shareholder holding not more than two per cent. of the paid-up capital in any public company as defined in the Companies Act, 1 of 1956. 1956, or in any other Corporation established by any law for the time being in force in India or in any co-operative society, with which or to which the Corporation has entered into or made, or proposes to enter into or make, a contract, loan arrangement or proposal.

Defects in appointments not to invalidate acts, etc.

17. (1) No act or proceeding of the Board or of any of its committees shall be questioned or be invalid on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Board or the committee, as the case may be.

(2) No act done by any person acting in good faith as a director or member of any committee shall be deemed to be invalid merely on the ground that he was disqualified to be a director or member or that there was any other defect in his nomination or appointment

Fees and allowances of directors and members of committees.

18. Every director and every member of a committee shall be paid such fees and allowances as the Board may, by regulations, determine, for attending the meetings of the Board or, as the case may be, any of its committees, or attending to any other work of the Corporation:

Provided that no fees shall be paid to the Chairman, managing director or any other director, if he is an officer of the Government, Reserve Bank, State Bank, subsidiary bank, banking company or Food Corporation.

CHAPTER IV

BUSINESS AND FUNDS OF THE CORPORATION

Business which the Corporation may transact.

19. Subject to the provisions of this Act, the Corporation may transact the following kinds of business, namely:—

(a) the granting of loans and advances, repayable within a period, not exceeding five years, to agriculturists, agricultural marketing societies, agricultural processing societies, Central Co-operative Banks, co-operative farming societies or primary agricultural credit societies for agricultural operations or for

such other operations connected therewith as the Board may by regulations determine;

(b) the drawing, making, accepting, discounting, buying, selling, collecting and dealing in bills of exchange, hundies, promissory notes, coupons, drafts, bills of lading, railway receipts, warrants, debentures, certificates, scrips and other instruments, and securities whether transferable or negotiable or not;

(c) the granting and issuing of letters of credit and acquiring, holding, issuing on commission, underwriting and dealing in stock, funds, shares, debentures, debenture stock, bonds, obligations, securities and investments of all kinds;

(d) the purchasing and selling of bonds, scrips or other forms of securities on behalf of constituents or others, the negotiating of loans and advances, the receiving of all kinds of bonds, scrips or valuables on deposit or for safe custody or otherwise, providing of safe deposit vaults, and collecting and transmitting money and securities;

(e) the carrying on of agency business of any description including the clearing and forwarding of goods, giving of receipts and discharges;

(f) the entering into contracts of indemnity, suretyship or guarantee with specific security or otherwise;

(g) receiving in consideration of the services mentioned in clauses (b), (c), (d), (e) and (f) such commission as may be agreed upon;

(h) managing or selling of any property which may come into the possession of the Corporation in satisfaction or part satisfaction of any of its claims;

(i) acquiring or holding of any property or any right, title or interest in any property which may form the security or a part of the security for any loan or advance or which may be connected with any business of the Corporation;

(j) any other kind of business which the Central Government may, on the recommendation of the Reserve Bank, authorise;

(k) generally the doing of such things and matters as may be incidental to or consequential upon the discharge of its functions under this Act.

Borrowing by the Corporation.

20. Subject to the provisions of this Act, the Corporation may, for the purposes of carrying out its functions under this Act,—

(*a*) re-discount with or sell to the Reserve Bank or borrow money from that Bank and for that purpose, the Corporation shall be deemed to be a State Co-operative Bank within the meaning of clause 2(*a*), clause 2(*b*), clause 2(*bb*) and clause (4) of section 17, sub-section (2) of section 46A and sub-section (2) of section 46B of the Reserve Bank of India Act, 1934;

2 of 1934

(*b*) borrow money from the Central Government or the State Government or such other authority or institution as approved in this behalf by the Central Government, on such terms and conditions as may be agreed upon.

Deposits with the Corporation.

21. The Corporation may, with the prior approval of the Reserve Bank, accept deposits from the appropriate Government, a local authority or any other person whether incorporated or not.

Limits on borrowings and deposits.

22. The aggregate of the amounts borrowed and deposits accepted by the Corporation and outstanding shall not at any time exceed ten times the amount of the paid-up share capital and the reserve fund of the Corporation or, with the prior approval of the Central Government, fifteen times the amount of such paid-up share capital and reserve fund.

Corporation to maintain two funds.

23. The Corporation shall establish two separate funds, namely:—

(*a*) Agricultural Credit (Stabilisation) Fund (hereinafter referred to as the Stabilisation Fund), and

(*b*) Reserve Fund.

Stabilisation Fund.

24. (1) To the Stabilisation Fund shall be credited such sum, not being less than ten and out more than fifteen per cent. as the Corporation may deem fit from out of its net annual profits before declaring a dividend.

(2) Subject to such conditions as may be specified by the Board by regulations, the amount lying to the credit of the Stabilisation Fund shall be utilised solely for the purpose of making loans or advances with a view to enabling any co-operative society or other person to pay its or his dues in cases where, in the opinion of the Corporation, such society or other person is unable to pay such dues in time owing to drought, famine or other natural calamities.

Reserve Fund.

25. (1) To the Reserve Fund shall be credited such sums not being more than fifteen per cent. as the Corporation may deem fit out of its net annual profits before declaring a dividend.

(2) The amounts lying to the credit of the Reserve Fund shall be utilised solely for such purposes as the Board may by regulations specify.

Payment of dividend.

26. After making provision for bad and doubtful debts, depreciation of assets and all other matters which are usually provided for by bankers, and after crediting to the Stabilisation Fund under section 24 and to the Reserve Fund under section 25, the Corporation may, out of its annual net profits, declare a dividend.

Investment of surplus funds.

27. All moneys belonging to the Corporation which may not, for the time being be required by it shall be—

(*a*) deposited with the Reserve Bank or with any agency of the Reserve Bank or in consultation with the Reserve Bank with a Scheduled Bank, State Co-operative Bank or Central Co-operative Bank; or

(*b*) invested in the securities of the Central Government or any State Government or in securities in which a trustee may invest money under clause (*a*), clause (*b*), clause (*bb*), clause (*c*) or clause (*d*) of section 20 of the Indian Trusts Act, 1882; or 2 of 1882.

(*c*) utilised in such other manner as may be approved by the Reserve Bank.

Recovery of moneys due to the Corporation.

28. Where any amount is due to the Corporation in respect of loans or advances or other financial accommodation granted by it to any person, the Corporation or any person authorised by it in writing in this behalf, may, without prejudice to any other mode of recovery, make an application to the appropriate Government for the recovery of the amount due to it, and if the appropriate Government, or such authority, as that Government may specify in this behalf, is satisfied, after following such procedure as may be prescribed, that any amount is so due, it may issue a certificate for that amount to the Collector, and the Collector shall proceed to recover that amount in the same manner and under the same condition as if it were an arrear of land revenue.

Acquisition or transfer by the Corporation of

29. (1) Subject to the provisions of any law relating to co-operative societies for the time being in force, the Corporation may—

(*a*) acquire the whole or any part of the business, including the assets and liabilities of a co-operative society;

(*b*) transfer the whole or any part of its business, including its assets or liabilities to a co-operative society. business, assets and liabilities from or to co-operative societies.

(*2*) The terms and conditions relating to such acquisition or transfer, if agreed upon by the Board and the co-operative society concerned shall be submitted to the Reserve Bank for its approval and that Bank may by order in writing (hereafter in this section referred to as the order of approval) accord its approval thereto:

Provided that where such acquisition or transfer involves the acquisition of the assets of the co-operative society or a transfer of the liabilities of the Corporation to the co-operative society, no such approval shall be accorded by the Reserve Bank, unless it is satisfied that—

(*i*) the co-operative society has given notice of the proposed acquisition or transfer, in such manner as may be provided under the law relating to co-operative societies applicable to it, to all its members and creditors, giving them the option, of demanding payment of their share or dues, as the case may be, and

(*ii*) all the members and creditors have assented to the proposal or deemed to have assented thereto by virtue of any member or creditor failing to exercise his option within such period as may be specified in accordance with such law relating to co-operative societies for the time being in force.

(*3*) The terms and conditions as approved by the Reserve Bank shall come into effect from the date specified by the Bank in this behalf in the order of approval and be binding upon the Corporation and its shareholders and creditors and if such law relating to co-operative societies so provides be binding also upon the co-operative society and its shareholders and creditors.

(*4*) If for any reason the terms and conditions cannot come into effect on the date specified in the order of approval, the Reserve Bank may fix another suitable date for that purpose.

(*5*) On the date on which the terms and conditions as aforesaid come into effect, the business, assets and liabilities of the Corporation, or as the case may be, the co-operative society concerned, shall, by virtue of and in accordance with the provisions of the aforesaid order of approval, and if such law relating to co-operative societies so provides, stand transferred to, and become the business, assets and liabilities of the co-operative society or the Corporation, as the case may be.

CHAPTER V

GENERAL MEETINGS

General meetings.

30. (*1*) A general meeting (in this Act referred to as an annual general meeting) of the Corporation shall be held at the Head Office of the Corporation within three months from the date on which the annual accounts of the Corporation are closed, and any other general meeting may be convened by the Board at any other time:

Provided that the Central Government may extend the time within which any annual general meeting shall be held, by a period not exceeding one month.

(*2*) The shareholders present at an annual general meeting shall be entitled to discuss the balance-sheet and profit and loss account of the Corporation, the report of the Board on the working of the Corporation for the period covered by the accounts and the auditor's report on the balance-sheet and accounts.

CHAPTER VI

ACCOUNTS, AUDIT AND RETURNS

Accounts

31. (*1*) The balance-sheet and accounts including the profit and loss account of the Corporation shall be prepared and maintained in such form and manner as may be prescribed.

(*2*) The Board shall cause the books and accounts of the Corporation to be balanced and closed on the thirtieth day of June each year.

Audit

32. (*1*) The accounts of the Corporation shall be audited by an auditor duly qualified to act as auditor under sub-section (*1*) of section 226 of the Companies Act, 1956 who shall be appointed by the Board with the previous approval of the Reserve Bank and shall receive such remuneration from the Corporation as the Board may, with the approval of the Reserve Bank, fix: 1 of 1956

Provided that the first auditor shall be appointed by the Central Government within one month from the establishment of the Corporation on such terms and conditions as the Central Government may determine.

(*2*) The auditor so appointed shall hold office from the conclusion of the annual general meeting of the Corporation until the conclusion of the next annual general meeting:

Provided that the first auditor shall hold office until the conclusion of the first annual general meeting.

(3) The Corporation shall supply its auditor with a copy of its annual balance-sheet and it shall be the duty of the auditor to examine such balance-sheet together with the accounts and vouchers relating thereto and he shall have a list delivered to him of all books kept by the Corporation and shall at all reasonable times have access to the books, accounts, vouchers and other documents of the Corporation.

(4) The auditor may, in relation to the accounts of the Corporation of which he is the auditor, examine any director or any officer or employee of the Corporation and shall be entitled to require from the officers of the Corporation such information and explanation as he may think necessary for the performance of his duties.

(5) The auditor shall make a report to the Corporation upon the annual balance-sheet and accounts examined by him and in every such report he shall state whether in his opinion the accounts exhibit a true and fair view,—

(*a*) in the case of the balance-sheet, of the state of affairs of the Corporation at the end of the year, and

(*b*) in the case of the profit and loss account, of the profit or loss for the year, and, in case he had called for any explanation or information from the Board, whether it has been given and whether it is satisfactory.

(6) Without prejudice to anything contained in the preceding sub-sections, the Comptroller and Auditor-General of India may, if so requested by the Central Government, examine and report upon the accounts of the Corporation and any expenditure incurred by him in connection with such examination and report shall be payable by such Corporation to the Comptroller and Auditor-General of India.

Returns.

33. (1) The Corporation shall furnish, from time to time, to the appropriate Government and to the Reserve Bank such returns as the appropriate Government or the Reserve Bank may require.

(2) The Corporation shall furnish to all its shareholders within three months from the date on which the annual accounts of the Corporation are closed, or within such further time not exceeding one month as the Central Government may specify, a copy of the balance-sheet as at the close of that year and a profit and loss account for the year, the auditor's report and a report of the Board on

the working of the Corporation during the year, and copies of the said balance-sheet, profit and loss account and reports shall be published in the Official Gazette.

(3) The Corporation shall furnish a statement in such form as may be prescribed of its assets and liabilities as at the close of business on the last Friday of each month or if that day is a public holiday under the Negotiable Instruments Act, 1881, as at the close of business at the preceding working day, to the Reserve Bank within ten days from the date to which the statement relates. 26 of 1881.

CHAPTER VII

APPLICATION OF CERTAIN ACTS TO THE CORPORATION

Certain provisions of the Banking Regulation Act, 1949, to apply to the Corporation.

34. The provisions of sections 8, 9, 20, 20A, 21, 23, 24, 26, 34A, 35 [excluding sub-section (4)], 35A, clause (*a*) of sub-section (*1*) of section 36, and sections 46, 47, 50, 53 and 54 of the Banking Regulation Act, 1949, shall apply to or in relation to the Corporation as they apply to or in relation to co-operative banks. 10 of 1949.

Certain provisions of the Reserve Bank of India Act, 1934, to apply to the Corporation.

35. The provisions of sections 18 and 42 of the Reserve Bank of India Act, 1934, shall apply to or in relation to the Corporation as they apply to or in relation to a State Co-operative Bank. 2 of 1934

Reserve Bank of India Act, 1934 and Banking Regulation Act, 1949, not to apply except as otherwise provided

36. Save as otherwise provided in this Act, nothing contained in the Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949, shall apply to or in relation to the Corporation. 2 of 1934. 10 of 1949.

18 of 1891

37. The Bankers' Books Evidence Act, 1891, shall apply to or in relation to the Corporation as it applies to or in relation to a bank as defined in section 2 of that Act

The Bankers' Books Evidence Act, 1891 to apply

43 of 1961

38. For the purposes of the Income-tax Act, 1961, or any other enactment for the time being in force relating to any tax on income, profits or gains the Corporation shall be deemed to be a co-operative society.

Corporation to be deemed to be a co-operative society for the purposes of Income-tax Act, 1961.

1 of 1872.

39. Notwithstanding anything contained in the Indian Evidence Act, 1872, or any other law for the time being in force, no Court, Tribunal or other authority shall have power to require the Corporation, the Reserve Bank or any officer of the Corporation or the Reserve Bank to produce before such Court, Tribunal or other authority the report of any inspection, or any copy thereof, made by the Reserve Bank in pursuance of section 35 of the Banking Regulation Act, 1949 as applied to the Corporation under section 34.

10 of 1949

Court, Tribunal, etc., not to require production of report on inspection made by the Reserve Bank.

CHAPTER VIII

MISCELLANEOUS

40. Every director, member of a committee, auditor, officer or other employee of the Corporation shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

Declaration of fidelity and secrecy.

41. (*1*) Every director shall be indemnified by the Corporation against all losses and expenses incurred by him in the discharge of his duties except such as are caused by his own wilful act or default.

Indemnity of director.

(*2*) A director shall not be responsible for anything done or omitted to be done by any other director or officer or other employee of the Corporation or for any loss or expenses resulting to the Corporation by the insufficiency or deficiency of value of, or title to, any property or security acquired or taken on behalf of the Corporation

in good faith, or by the wrongful act of any auditor or any person under obligation to the Corporation, or by anything done in good faith in the execution of the duties of his office or in relation thereto.

Protection of action taken in good faith.

42. No suit or other legal proceeding shall lie against the Corporation or the Central or State Government or the Reserve Bank or any director or officer of the Corporation or of the Central or State Government or of the Reserve Bank or any other person authorised by the Corporation to discharge any functions under this Act, for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act.

Liquidation of the Corporation

43. (1) No provision of law relating to the winding up of companies or corporations shall aply to the Corporation and the Corporation shall not be placed in liquidation save by order of the Central Government made in consultation with the State Government and in such manner as it may direct.

(2) Without prejudice to the provisions of sub-section (1), any order made by the Central Government for the liquidation of a Corporation may provide for all matters for effectively winding up the affairs of the Corporation, including the repayment of capital, disposal of any fund established under this Act, the transfer of the business, property, assets and liabilities, rights, interests, privileges and obligations of whatever nature of the Corporation to such institution or institutions as the Central Government may direct and payment, receipt or disposal of compensation arising out of such transfer.

Reserve Bank to submit report.

44. The Reserve Bank shall, on the expiry of a period of three years, from the date of establishment of the Agricultural Credit Corporation in a State or Union territory and thereafter at an interval of three years and within such time as the Central Government may specify, submit a report to that Government as to the working of the Corporation and forward a copy thereof to the State Government concerned.

Staff of the Corporation and delegation of powers

45. (1) The Corporation may appoint such officers, advisers and employees as it considers necessary for the efficient performance of its function and determine, by regulations or otherwise, their conditions of appointment and service and the remuneration payable to them.

(2) The Board may, by general or special order, delegate to the Managing Director or to any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified, such of its powers and duties under this Act as it may deem necessary.

Power of the Central Government to make rules.

46. (*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) functions which shall be discharged by the Executive Committee;

(*b*) rules of procedure with regard to the transaction of business at a meeting of the Board;

(*c*) rules of procedure with regard to the transaction of business at a meeting of any committee constituted by the Board;

(*d*) the procedure to be followed by the appropriate Government or the authority specified by the appropriate Government for issuing the certificate under section 28;

(*e*) the manner in which the general meeting shall be convened, the quorum therefor, the procedure to be followed thereat and the manner in which voting rights may be exercised;

(*f*) form and manner in which accounts shall be maintained the balance-sheet and profit and loss account shall be prepared;

(*g*) form in which statement of assets and liabilities shall be furnished;

(*h*) any other matter which is required to be, or may be prescribed.

(*3*) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days, which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

Power of the Board to make regulations.

47. (*1*) The Board may, after consultation with the Reserve Bank, make regulations not inconsistent with the provisions of this Act and the rules made thereunder, to provide for all matters for which provision is necessary or expedient for the purposes of giving effect to the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing provisions, such regulations may provide for all or any of the following matters, namely:—

(a) duties which the managing director shall perform;

(b) fees and allowances which may be paid to every director for attending any meeting of the Board or any committee thereof or for attending to any other work of the Corporation.

(c) duties, conduct, salaries and allowances and conditions of service of officers and other employees of the Corporation;

(d) establishment and maintenance of provident and other benefit funds for the employees of the Corporation;

(e) the delegation of powers and functions to the officers and employees of the Corporation;

(f) the purposes connected with agricultural purposes for which the Corporation may grant loans and advances;

(g) the conditions subject to which the amount in the Stabilisation Fund may be utilised;

(h) the manner in which the amount in the Reserve Fund may be utilised;

(i) conditions which the Corporation may impose on any loan or advance made by it;

(j) any other matter which is, or may be, necessary for the efficient conduct of the affairs of the Corporation.

(3) Notwithstanding anything contained in sub-section (1), the Reserve Bank may at any time within three months from the commencement of this Act make regulations with regard to any of the matters specified in sub-section (2) but the regulations so made may be rescinded or modified by the Board in exercise of the powers conferred on it by sub-section (1).

Amendment of Act 10 of 1963.

48. In clause (f) of section 2 of the Agricultural Refinance Corporation Act, 1963, after sub-clause (ii), the following sub-clause shall be inserted, namely:—

"(iii) an Agricultural Credit Corporation established under section 3 of the State Agricultural Credit Corporations Act, 1968.".

THE SCHEDULE

(*See* section 40)

I, ..., do hereby declare that I will faithfully, truly and to the best of my judgment, skill and ability execute and perform the duties required of me as a director, officer, employee or auditor (as the case may be) of the Agricultural Credit Corporation and which properly relate to any office or position in the said Corporation held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Corporation nor will I allow such person to inspect or have access to, any books or documents belonging to, or in the possession of, the Corporation and relating to the business of the Corporation.

Signature

Signed before me.

Date .....

V. N. BHATIA,
Secy. to the Govt. of India.

PRINTED IN INDIA BY THE GENERAL MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI AND PUBLISHED BY THE MANAGER OF PUBLICATIONS DELHI, 1968